

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

April 2003

COUNTRY BRIEF: GUATEMALA

Population	12,900,000 in mid-1996
Area	108,780 square kilometers (42,000 square miles)
Capital	Guatemala City
Type of Government	Constitutional Democratic Republic

Top Guatemalan Government Officials

President	Alfonso Portillo Cabrera
Vice President	Francisco Reyes Lopez
Minister of Government	Adolfo Reyes Calderon
Minister of National Defense	Juan de Dios Estrada Velasquez
FRG Director and Legislative President	Efraim Rios Montt



NOTES: Departments that are not labeled have the same name as their Capitals.
Guatemala asserts historical claims to Belize and shows it as a Department on its official government maps.

Historical Comment

Guatemala, which was once the site of a flourishing Mayan civilization, succumbed to Spanish colonial rule in the 1500s, until gaining its independence in 1821. From the mid-19th century until the mid-1980s, the country passed through a series of dictatorships, insurgencies, coups, and stretches of military rule. Toward the end of this period, Guatemala was engaged in a civil war between the government forces and local leftist guerrillas that resulted in the loss of about 200,000 lives.

Since the mid-1980s, Guatemala has had four elected presidents. In addition, one Human Rights Ombudsman completed a president's term when the president fled the country after failing to dissolve the Guatemalan Congress and Supreme Court. All four administrations acknowledged the existence of, and promised to fight, the widespread corruption and human rights violations occurring in Guatemala.

Guatemala's current President, Alfonso Portillo of the *Frente Republicano Guatemalteco* (FRG) party, was elected in December 1999. Despite outgoing President Alvaro Arzu's achievement in finalizing the peace agreement after 36 years of civil war, public dissatisfaction with the Arzu administration's failure to control crime

and to improve Guatemalan economic conditions resulted in an overwhelming victory for President Portillo. Unfortunately, the Guatemalan people's hopes that President Portillo's administration would improve the social and economic conditions in Guatemala were short-lived.

The Drug Enforcement Administration established a country office in Guatemala City in 1975 that is currently staffed with a Country Attaché, six Special Agents, one Intelligence Research Specialist, one Administrative Assistant, and one Administrative Support Specialist.

President Portillo's questionable alliances, combined with worsening corruption, renewed allegations of human rights violations, and a high violent crime rate—have cost him much of his popularity. To the dismay of human rights activists, President Portillo has not only maintained a friendship with a previous military dictator, but has actually supported him in seeking a high-level government position in the Guatemalan Congress. This military dictator had ruled Guatemala during the early 1980s when some of the worst human rights violations occurred.

Drug Situation Overview

Guatemala's location between Mexico and the other Central American countries makes it an appealing and convenient transit country for drug trafficking organizations moving South American cocaine and heroin to Mexico, the United States, and, to a lesser extent, Europe.

Go-fast boats and fishing vessels travelling within Guatemala's littoral waters, as well as containerized cargo aboard commercial maritime vessels, move substantial amounts of drugs northward to Mexico and the United States. Commercial vessels transport cocaine from Colombia into major Guatemalan ports to be offloaded. Typically, these shipments are destined for Mexico and U.S. ports along the Gulf of Mexico.

In addition, small fixed-wing general aviation aircraft transport multihundred-kilogram quantities of cocaine to Guatemala from Colombia and Panama. The availability of numerous remote and unmonitored clandestine airfields, combined with the lack of an internal radar system, make the use of small aircraft very attractive to drug trafficking organizations.

Finally, drug trafficking organizations use commercial tractor-trailers, private passenger vehicles, and passenger buses to transport illicit drugs overland via the Pan American Highway.

Cultivation and Eradication

Opium Poppy

Recently obtained intelligence suggests opium poppy cultivation (thought to have been eradicated in the mid-1990s) is increasing, primarily in the San Marco and Sacatepequez Departments (Guatemalan administrative divisions). Aerial reconnaissance completed in February 2003 has confirmed the existence of 48 hectares (roughly 119 acres) of flowering poppy plants in the western highlands of Guatemala.

Drug Seizure Statistics in Guatemala 1998-2002

	1998	1999	2000	2001	2002
Cocaine					
metric tons	9.2	10.05	1.4	4.1	2.8
Heroin					
kilograms	3.65	52.0	9.3	16.0	18.0
Marijuana					
metric tons	0.42	0.65	0.34	0.52	2.3

Eradication in Guatemala (in hectares)

	1998	1999	2000	2001	2002
Opium poppy	4.81	0.7	1.0	1.0	1.0
Marijuana	58.0	52.0	32.0	43.0	38.0

Source: U.S. Department of State's International Narcotics Control Strategy Report

In the early 1990s, Guatemala was considered a major opium producing country until aerial eradication operations reduced opium poppy cultivation from a high of over 2,500 hectares in 1991 to a few isolated patches after 1996. While opium poppy cultivation in Guatemala is still relatively limited, it is a matter of concern to Guatemalan authorities.

During 2002, the lack of host nation aerial reconnaissance and personnel transport assets made confirmation of cultivation and eradication difficult. Nonetheless, eradication of opium poppy plants during 2002 remained the same as in the past 3 years: around 1 hectare per year.

Cannabis

Cannabis continues to be cultivated in the northern jungle areas of Guatemala, especially in the Peten Department along the borders with Belize and Mexico. Cannabis cultivation along the Guatemala–Belize border exacerbates border tensions between the two governments as the Guatemalan farmers frequently cross illegally into Belize to plant both food crops and cannabis.

Until recently, cannabis was thought to be grown strictly for local consumption; however, current production estimates exceed domestic demand estimates, which possibly indicates that marijuana cultivated in Guatemala is being exported to Mexico and the United States.

Guatemalan law enforcement authorities located and destroyed 38 hectares of cannabis during 2002—a slight decrease from the 43 hectares eradicated in 2001.

Coca

There is no known coca cultivation in Guatemala.

Chemicals and Processing

Drug trafficking organizations transship precursors and controlled chemicals used in processing methamphetamine and MDMA through Guatemala into Mexico. These organizations transport large quantities of diverted chemicals by way of major roads and rivers that cross the inadequately guarded Guatemala/Mexico border.

The Guatemalan Government completed legislation in 1998 authorizing the Ministry of Health to regulate the production, importation, marketing, and distribution of controlled chemicals. However, as of late 2002, the Ministry of Health has failed to draft the regulations and prescribed penalties that would enable this law to be truly effective.

Information obtained from the Guatemalan health sector indicates an increase of pharmaceutical companies operating and producing medicines in the country. Most of the pharmaceutical companies operating in Guatemala are Colombian and operate without adequate government supervision and control.

Historically, Guatemala has been a significant importer of ephedrine, a substance legitimately used for pharmaceutical, veterinarian, and cosmetic purposes. Ephedrine is also a precursor chemical used in the illegal manufacturing of methamphetamine. The legitimate estimated needs of Guatemalan pharmaceutical firms have ranged between 500 and 1,500 kilograms of ephedrine per year. However, from 1993 to 1995, over 12 metric tons of ephedrine were imported into Guatemala; this amounts to about 4 times the legitimate requirement.

Drug Transshipment

Guatemala is the preferred Central American location for storage and consolidation of drug loads en route from South America to the United States and, to a lesser extent, Europe. Drug traffickers exploit Guatemala's well-established transportation facilities, central location (between South America and the United States), and ineffective border controls to conduct maritime, air, and overland drug smuggling.

Maritime ports on both coasts contribute to traffickers' abilities to transport drugs into and through Guatemala using virtually every type of seaworthy vessel. Typical vessels used include cargo ships, large freighters, shrimp boats, tuna boats, pleasure craft, go-fasts, and *pangas*.

Go-fast vessels ranging from 40 to 60 feet in length and carrying 1 to 2 metric tons of cocaine are the primary threat to Guatemalan coastlines. Drugs are either offloaded in Guatemala, or the boats are refueled to continue on to other destinations along the coasts of Belize, Mexico, or the United States. The majority of offloads occur near the Mexico/Guatemala border, or at sea onto other transport vessels. If they encounter a law enforcement vessel, go-fast vessel crews are known to jettison their cargo and attempt to scuttle their vessel.

Drug trafficking organizations take advantage of the immense volume of legitimate cargo that moves through Guatemalan ports on both coasts to conceal drugs in cargo containers. Drug traffickers transporting cocaine shipments originating from

Colombian ports use the Puerto Barrios Region on Guatemala's Caribbean coast and Puerto Quetzal on the Pacific coast. Once drug shipments have entered Guatemala, traffickers move the drugs either overland or by maritime means to Mexico and the United States.

During 2002, Guatemalan officials have seen a resurgence in the use of general aviation aircraft to smuggle drugs into Guatemala. The use of small general aviation aircraft was once a favored method of moving drugs through Central America into the United States, but their use diminished during the late 1990s. However, recent intelligence indicates that drug trafficking organizations are reestablishing air routes, using isolated airstrips located in remote and uncontrolled areas in Guatemala. At these remote sites, the drugs are offloaded from small aircraft, stored in stash sites, and then sent into Mexico either overland or by river. Guatemala's topography and its agrarian economy provide hundreds of these isolated landing strips for smuggling via aircraft.

Drug trafficking organizations also use overland vehicles, such as tractor-trailers, tanker trucks, automobiles, and passenger buses to move drugs into, through, and out of Guatemala. Hidden compartments, fuel tanks, and tires are just a few of the areas traffickers use to conceal drugs in vehicles transiting Guatemala. In addition, couriers aboard passenger buses use the same methods of concealment as those used by air couriers. Because the Guatemala/Mexico border has numerous crossing points with virtually no controls, traffickers and couriers move unimpeded between these two countries.

Well-organized trafficking groups use couriers to smuggle kilogram quantities of heroin and cocaine on commercial aircraft through the La Aurora International Airport located in Guatemala City. Clever couriers use a myriad of methods to conceal illicit drugs, such as ingesting pellets (swallowers), saturating clothing with liquid drugs, concealing drugs in personal items, or secreting drugs into the framework of luggage. Normally, couriers carry small amounts of drugs at one time—usually less than 5 kilograms.

Cocaine

During 2002, officially reported cocaine seizures in Guatemala of 2.8 metric tons were somewhat lower than the 2001 reported cocaine seizures of 4.1 metric tons. In the aggregate, cocaine seizures in Guatemala from 2000 through 2002 failed to reach the 1999 level of 10 metric tons. Intelligence indicated cocaine transshipments into and through Guatemala during 2002 moderately increased from previous years' estimates, in direct contrast to the drop in cocaine seizures.

The decrease in cocaine seizures is partly attributable to the rampant corruption of the now defunct *Departamento de Operaciones Anti-Narcoticas* (DOAN). It is estimated that DOAN authorities stole more than twice the amount of cocaine legally seized in 2002.

Heroin

In December 2000, a heroin pellet processing facility seized in Guatemala City provided direct evidence that trafficking groups are pressing Colombian heroin into

pellets for couriers to transport from Guatemala to the United States. The seizure of the heroin capsule press and a large quantity of supplies, including wrappings from kilogram packages of heroin and material for making the pellets themselves, indicated that heroin pellets were being prepared in large quantities in Guatemala.

Drug Abuse

The Government of Guatemala recognizes that escalating drug abuse is a serious problem that could undermine Guatemalan society, and, as a result, supports a very active demand reduction program. A study conducted by Guatemala's National Drug Coordination Office confirmed that drug use is on the rise in most age groups.

Marijuana

Marijuana remains the primary drug of abuse in Guatemala and is readily available throughout the country. Virtually all of the marijuana sold is believed to be grown domestically.

Cocaine

Colombian traffickers frequently pay Guatemalan traffickers for their logistical support with cocaine instead of money. In order for the local traffickers to recoup their money, traffickers convert the cocaine into crack cocaine and sell it domestically. This process exacerbates increasing crack cocaine abuse within the lower and middle economic classes. Late in 2002, intelligence information indicated the existence of several crack cocaine processing laboratories located in the poorer neighborhoods of Guatemala City.

Guatemalans believe crack cocaine abuse is a significant factor in the increase of violent crime throughout Guatemala. The issue of escalating crack cocaine use in Guatemala received significant media attention during 1999 and 2000. Crack cocaine use among urban youths rose sharply in 1999 and 2000 in a pattern that closely resembled the rise of crack cocaine use in urban centers in the United States during the mid-1980s. Guatemalan law enforcement agencies seized a total of 6.5 kilograms of crack during 2002, an increase from 3 kilograms of crack cocaine seized during 1999. Prior to 1999, crack cocaine seizures were negligible.

MDMA

A relatively new phenomenon in Guatemala, MDMA is readily available in Guatemala City nightclubs and at raves in Antigua, a historic city and tourist haven located approximately 30 miles west of Guatemala City. Although MDMA is considered an illegal substance in Guatemala, there is little enforcement concerning this drug, as is evidenced by the fact that there have been no reported MDMA-related seizures or arrests in Guatemala.

Heroin

There is no indication of significant heroin abuse in Guatemala.

Corruption

Rampant corruption permeates all levels of law enforcement, the judiciary, military, and other governmental agencies in Guatemala. Corruption severely handicaps the efforts of honest anti-narcotic authorities and facilitates drug trafficking.

In 2002, intelligence indicated that Guatemalan law enforcement officials profited from stolen drug loads; offered protection for traffickers and their illicit cargo transiting Guatemala; stole money from suspects; assassinated drug transporters for the purpose of stealing their shipments; tortured and killed innocent civilians; and committed a variety of other criminal acts. Actions of this nature became so brazen that, in October 2002, the Portillo Administration disbanded the DOAN¹. A new anti-drug unit, *Servicio de Analisis y Investigaciones Anti-Narcoticos* (SAIA), was developed and staffed by newly assigned personnel. Mandatory requirements for personnel assigned to this unit include successfully passing a polygraph test, urinalysis, and background check. The SAIA places a greater emphasis on investigations than its predecessor and has experienced a few early successes.

Corruption is not limited to law enforcement. Judges are suspected of providing information to narcotic traffickers and accepting bribes to dismiss cases or curtail sentences. Port-based counternarcotics operations met with negligible success due to endemic corruption at all three major ports. Furthermore, reliable intelligence implicated elements of the Guatemalan military in drug trafficking. Throughout Guatemala, in general, there are a number of ongoing scandals involving the theft of government funds, nepotism, and general mismanagement. Unfortunately, complete investigations and convictions may be impossible due to pressure applied by very high-level government personnel.

Money Laundering

Guatemala has a relatively small and poorly capitalized financial sector and is not considered an important regional financial center. Nonetheless, Guatemala is considered to be an offshore financial center and Guatemala's larger banks conduct considerable business through their offshore subsidiaries. The fact that Guatemala is a major transshipment country for illegal drugs from South America and precursor chemicals from Europe—combined with increased activity by organized crime groups—indicates that money laundering is probably occurring in Guatemala.

Modern comprehensive money laundering legislation passed in November 2001, followed by implementing regulations passed early in 2002, require all financial institutions to have money laundering detection units, designated compliance officers, and trained personnel. Financial institutions are now required to identify all customers opening new accounts and report any customers conducting transactions of US\$10,000 (or equivalent) or greater. Unfortunately, this does not apply to accounts opened prior to May 2001. Additionally, the financial institutions must monitor, record, and report any suspicious or unusual transaction to the Superintendence of Banks within 10 days of detection.

¹ Most of the officers previously assigned to the DOAN were merely reassigned to the National Police Force (PNC).

Although these requirements are in place and the process has led to investigations, information sharing between the Superintendence of Banks and prosecutors has been less than desired. In fact, in the year since this legislation has been in place, very few cases have gone to trial and there have been no convictions.

Prices

Current wholesale pricing for marijuana is not available; however, in 1999, wholesale prices paid to farmers in Guatemala averaged from US\$35 to US\$50 per pound. The 2002 average wholesale price of cocaine being transported through Guatemala is approximately US\$5,000 per kilogram. No information on the current price of heroin is available. Because Guatemala is primarily a transit zone and heroin abuse is very limited, it is believed that very few heroin transactions occur in the country.

Counterdrug Operations

The Civil National Police Force (PNC), established in 1997 after the abolishment of the Guatemalan National Police and Treasury Police, oversees counterdrug operations. Unfortunately, joint counterdrug operations with Guatemalan law enforcement authorities have been severely hampered by persistent and worsening corruption at all levels of the Guatemalan government and the military.

The DOAN had been the agency responsible for all other national and international counterdrug investigations and eradication until the Portillo Administration disbanded the corruption-riddled DOAN and, simultaneously, established its successor unit, SAIA. The staffing levels for the elite SAIA reached a total of 398 agents and officers in December 2002. Plans call for a target strength of 500 agents and officers, who will be deployed throughout the country and who will emphasize investigations more strongly than its DOAN predecessors. Initial efforts by the SAIA are promising.



November 15, 2002, shortly after their creation, the SAIA had its first sizable seizure of 834 kilograms of cocaine. Based on intelligence, the SAIA set up vehicle check points at Morales, Isabal, Guatemala, and Agua Caliente, San Antonio La Paz, Guatemala, strategic points on the Atlantic Highway. When the truck was spotted by law enforcement officers, the driver of the 1993 Izuzu truck attempted to flee. However, the 43 year old Guatemalan driver was apprehended and 834 kilograms of cocaine were located within the tank portion of the truck. As a side note, the driver had an outstanding warrant for the murder of a Guatemala prosecutor's family member.

Legislation, Treaties, and Conventions

Guatemala implemented modern money laundering legislation and supporting regulations during 2002, after ratifying the Central American Convention for the Prevention of Money Laundering and Related Crimes in 2000.

In 2000, Guatemala signed three distinct Letters of Agreement (LOAs) with the U.S. Government on counternarcotics and demand reduction. Guatemala has bilateral

counternarcotics agreements, including information sharing, with Argentina, Colombia, Ecuador, Mexico, Peru, Spain, and Venezuela.

Guatemala is a signatory to the 1988 Vienna Convention. Although it is not an international agreement, Guatemalan police authorities view the International Drug Enforcement Conference (IDEC) as a very important function. The Guatemalan Government agrees that a multinational effort is needed to control drug trafficking. IDEC, sponsored by the DEA, has promoted a regional approach to drug enforcement operations. Guatemalan law enforcement officials view the IDEC as the vehicle to promote regional cooperation.

Even though Guatemala has ratified the U.N. Convention Against Organized Crime, as well as the Inter-America Convention Against Corruption, it has done little to pass laws or regulations to comply with these regulations.

Conclusions and Projections

- For the first time since the U.S. State Department began its International Narcotic Control and Strategy Report (INCSR), the Government of Guatemala was decertified in January 2003, due to pervasive corruption and the apparent lack of action to correct many internal deficiencies. The Government of Guatemala has begun to address counternarcotics issues that previously had been ignored, such as destroying seized drugs and negotiating bilateral maritime counternarcotics agreements. Unfortunately, the stagnant economy and rampant corruption will still make it difficult for the Government of Guatemala to make significant headway against narcotrafficking in 2003.
- Guatemala will continue to be an important drug smuggling transshipment point between South America and the United States. Increasing air transshipment of cocaine will persist as long as there are inadequate air interdiction assets to confront it. Drug trafficking organizations will continue to use commercial containers, both on land and through the ports, to smuggle drugs through Guatemala. Go-fast boats will continue to use Guatemala's littoral waters to transport drugs to Mexico and the United States.
- Opium poppy cultivation in the remote highlands may increase due to limited aerial reconnaissance and sporadic eradication. Cannabis cultivation could become a serious problem if not controlled by periodic eradication measures.
- Domestic cocaine abuse will continue to increase as traffickers pay local traffickers with cocaine instead of cash for transportation services (thereby supplying cocaine for the domestic market). The increase in cocaine availability and consumption, with a resulting rise in crime, will continue to strain Guatemala's limited police resources.

This report was prepared by the Mexico/Central America Intelligence Unit of the Office of International Strategic Support. This report reflects information received prior to February 2003. Comments and requests for copies are welcome and may be faxed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.